



October 1st, 2019

Subject: Pricing changes on select mature Microchip products introduced in 2006 or earlier

Dear Valued Microchip Customer,

Microchip is committed to developing innovative, leading edge products that will significantly shorten your new products time to market. More than any other semiconductor company, Microchip is also committed to supplying products to our customers and the market for extended periods of time. Many of you have told us how important this service is to you, and we have a long history of supporting products for over 25 years from market introduction. Longevity of supply is a hallmark of Microchip's operating principles so that our customers may balance their engineering resources between innovation and cost reduction, wherever they perceive the best returns to be.

In the case of extended lifecycle product offerings, our manufacturing, assembly and carrying costs have increased over time for these mature technology products and packages. Microchip is dedicating valuable, less-efficient manufacturing capacity to produce older products which could be redeployed to newer, more efficient manufacturing capacity. However, Microchip recognizes the importance to you of continuity of supply of these older products and chooses not to discontinue them as is the practice by most of our peers. To support your needs, we will continue to offer product availability but adjust the prices in line with the increased cost associated with supporting these select mature product lines. The price increase only affects the select mature products listed in the attachment to this letter.

Microchip is providing you with a 90-day notification of this price adjustment for these select mature products so that you may appropriately plan your actions. Prices for the attached list of select mature products will be increased by 6.5% effective with all shipments starting on Jan 1, 2020. Any orders received for these products, now and/or later, will be confirmed and acknowledged as a part of our normal manufacturing capacity methodology and systems and resulting lead times.

If you have questions regarding this price increase, please contact your local Microchip Sales representative.

Sincerely,

Steve Sanghi
Chairman & CEO

Ganesh Moorthy
President and COO

Attachment: Part number list of affected products